

## UPDATE ON AA PLANS FOR '10-11

1. **CSU BUDGET:** In '08-09, Chancellor Reed threatened to decrease enrollment by 6.5% unless CSU got more money. But then the housing bubble burst. The state not only lacked revenue to make CSU whole, it also nearly collapsed. By summer '09, it cut CSU nearly 24%, including 305m moved back in time from this year to balance last year and a series of raids that removed another 621m from '09-10. CSU responded by raising fees 30% and negotiating furloughs for 275m. Furloughs shifted 10% of compensation to general needs for this year.

In fall, CSU began to plan for '10-11. It accepted a 10% fee increase for next year, and it projected an 11% drop in enrollment for two reasons. First, when furloughed, people still taught and served. If eliminated instead, they will not. Second, when broke, we go for broke. In the worst economy since perhaps the '30s, we wagered 17% in FTES or nearly 400m dollars on intimidating the state into giving us more money. Have we won? Recently, the Governor backed a 2.5% enrollment increase if there is money. But the '10-11 budgets already runs red. We will receive 305m in '10-11 to replace the 305m withdrawn from this year for last year, we hear. But this year won't end in balance, either. What does that imply about next year? According to the Governor, we can anticipate a ballot measure in which the people get to say whether they rank prisons or college higher for funding. That is a good thing?

Administration and Finance at CSUN has to plan, among these possibilities. They assume that the unions and CSU will deep-six the furlough, that we will cut 11% more students, and that we will get a 10% fee increase. The last two are close in dollars. They cancel. That leaves an alternative to furlough; each division must hand back 5% of its total dollars.

For Academic Affairs, that is 6m. But we are planning for an 18m cut. Why? The university is treating the '09-10 cut and the '10-11 cut as separate problems. We are not. The drop in enrollment in '09-10 adds 6m to our '10-11 bill. The other 6m reflects our contingency. If the cut is higher than 12m, we will be ready. If it is less, we can build a reserve and spend some of our balance. (We can't eliminate the 11% enrollment cut unless the system says yes.) Why build the reserve? Think of where we would be now without one. We will decrease at least 12m, in part, by using a reserve of 8m that we began to build in '07-08. Imagine if we had to find 8m now. We would be making program cuts and arranging layoffs. Details can be tracked at <http://www.csun.edu/academic.affairs/enrollment.pdf>.

Obviously our success next year depends on how well we read tea leaves. We have—yes—a \$21,000,000 reserve, anticipate a \$1,000,000 surplus from summer, and are using \$2,000,000

from stimulus funds for sections. I anticipate the tax shortfall will entail an additional \$5,000,000 cut to AA, while we will encumber \$3,000,000 to securitize 60 hires to be onboarded in '11-12. We are adding \$3,000,000/\$5,000 in sections, either to improve access but not FTE or to do both. In other words, we are being flexible to meet a 10% range in FTE. Further, we are backfilling gaps in research funding with \$500,000k to near this year's record \$32,000,000 estimate. In sum, increasingly we consider all funding 1x, focus on grants and contracts, cleanse SFR, create incentives through EXL. Measures include

- target, 2% either way
- elimination of S factor
- 26-30M in G/C
- EXL 1m
- % of hires

2. **ENROLLMENT:** Besides worrying the money, what else are we doing? We are working with Student Affairs to reduce enrollment carefully. We are decreasing freshmen and transfers modestly because what we do should be equitable and quickly reversible. We have concentrated more on tightening course-repeat policies, limiting changes in students' programs to those that do not delay graduation, working with students with 120+ credits to remove further delays, curtailing grants to students with 150+ credits, reducing the grounds for appeals yet empowering departments to make course substitutions, requiring applicants to take responsibility for meeting deadlines, re-designing some basic skills courses so that students can advance earlier if they show competency, and expanding early warning systems through which teachers signal advisors about students with problems. In general, we are "tuning" in order to decrease redundancies, delays, and false starts.
3. **TECHNOLOGY:** We are working with IT on a major change in technology. Over three years, we will reduce the stations in open purpose labs by 80%, rely more on wireless portable access to servers, deploy thin clients in remaining labs, decommission printers in favor of networked printing, tie the pedagogy/technology and LMS more closely to the information organization/capacity in the library, start an inventory of software to inform purchasing, and clarify both joint and distinct responsibilities for technology in Academic Affairs and IT.
4. **RESEARCH:** We continue to build research. We have and will commit to matches. We are funneling more funds to large grant holders. We anchor science support on MiniMed reimbursements. We set up three large research collaborations in health, education, and clinical services.
5. **SELF-SUPPORT:** We are grateful for CSU efforts to get more public revenue for CSU, but are expecting a future in which fees and university self-support will exceed 66% of total core cost. Acceptances of more non-residents, campus fees priced competitively, development of post-

baccalaureate professional certificates, granting of applied doctorates, steady additions in advancement and grant and contracts, cultivation of earmarks, virtualization of services to enable 24/7 back-up and access to core business needs, and establishment of clinical fronts with insurance reimbursement and consistent business practices in order to serve the external public are key ingredients. We will support clinical practice for faculty and graduate students, and generate revenue that at least balances expense. We must develop more post-baccalaureate professional programs in ExL, in order to increase compensation, assist workers in adjusting to change in the region, and develop additional sources of revenue for the campus.

The plan, in the short term, does not treat the divisions equally. Moving summer from GF to ExL, we free up 3m dollars—1/6<sup>th</sup> of our cut. Other divisions lack an option like this. Further, we get to keep in the colleges considerable ExL revenue, including the 2m that the university gave us when, under YRO, we funded AA to administer summer.